distribution of Iron and Steel with effect from 16th January 1992, the requirements of five sectors, namely Defence, Railways, exporters of Engineering Goods, Small Scale Sector and North Eastern Region continue to be met on priority by main producers at prices that may be announced by the producers from time to time.

(b) The average monthly supply of steel by main producers to the five priority sectors during 1991-92 and 1992-93 was 1·17 lakh tonnes and 1·29 lakh tonnes (provisional), respectively.

(c) After deregulation, as before, prices of main producers are uniform for all categories of consumers.

Modernisation of the Bokaro Steel Plant

777. SHRI SURESH KALMADI: Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that Government have approved the proposal of the Steel Authority of India to modernise the Bokaro Steel Plant at a cost of Rs. 1.625 crores ; and

(b) if so, what are the details of the expected increase in Steel production ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) Yes, Sir. Government have approved the investment proposal of Steel Authority of India Limited to modernise Bokaro Steel Plant (Stage-I) at a total cost of Rs. 1625·79 crores.

(b) The yield of Saleable Steel from Liquid Steel will increase from the present level of 78·20% to 84% after Stage-I modernisation. Consequently, the production of Saleable Steel will increase to 3·780 Million Tonnes/year from its present level of 3·190 Million Tonnes/Year.

Modernisation of Rourkela Steel Plant

778. SHRI SIVAJIRAO GIRIDHAR PATIL : Will the Minister of STEEL be pleased to state :

(a) whether Government have taken into consideration the recent observation made by the Industries Minister of Orissa that the Rs. 4000 crores modernisation programme of the Rourkela Steel Plant would result in a huge national wastage ; and

(b) whether Government purpose to reconsider the modernisation programme of the said plant in view of the said observation ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) The recent observations made by Minister of Industries, Orissa, in his letter dated 18th May, 1993 regarding Blast Furnances productivity, Hot Metal production, iron ore input and finishing mills etc. under Rourkela Steel Plant modernisation programme have been examined. It is expected that these issues will not pose problems in achieving the envisaged techno-economic benefits after RSP modernisation. The techno-economics for the modernisation investment have been worked out by the consultants, M/s. Dasturco based on the procuct-mix and production envisaged after modernisation.

The general improvement in the quality of steel making and incorporation of Continuous Casting facilities etc. will help the Plant to enrich its product-mix resulting in higher realisation per tonne of steel. Simultaneously the cost of production will go down due to improved yield of products, reduction in energy consumption and economic utilisation of raw materials. Internal rate of return (IRR) on the modernisation investment is 19% which indicates good viability of the scheme.

For the reasons mentioned above, the investment on RSP modernisation